

Message Text

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ORIGIN XMB-04

INFO OCT-01 ARA-14 ISO-00 EB-08 COME-00 AID-05 CIAE-00
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 /094 R

XMB

DRAFTED BY XMB: D B SMITH/SLV
APPROVED BY EB/IFD/ODF:MVCREEKMORE
XMB: R D CRAFTON
ARA/CAR - G. DE SANTILLANA (INFO)
XMB: E J O'CONNOR
XMB: J L MOORE

-----010674 300139Z /75

R 291800Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY SANTO DOMINGO

UNCLAS STATE 178222

E.O. 11652:N/A

TAGS:EFIN, DR

SUBJECT:EXIMBANK - CDE'S PLAN TO PURCHASE 100 MILLION
DOLS. IN U.S. POWER PLANT UNITS

REF: SANTO DOMINGO 4469

FOR: AMBASSADOR HURWITCH FROM EXIMBANK CHAIRMAN MOORE
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1. AS OF JULY 15, 1977, ALL OF CDE'S PAST DUE PAYMENTS
WHICH GO BACK TO JUNE 1976 HAVE BEEN MADE EXCEPT
APPROXIMATELY 20,000 DOLS. IN OVERDUE INTEREST
PAYMENTS AND ONE PAYMENT OF 8,981 DOLS. IN GUARANTEE
COMMITMENT FEES. AT THE SAME TIME, THERE IS ONE
OVERPAYMENT OF 355,000 DOLS. THIS WAS APPARENTLY
DUE TO BOTH THE RESERVE BANK AND CDE MAKING PAYMENTS
ON A SINGLE PAST DUE BILLING. EXIMBANK IS PREPARING

A RESPONSE TO CDE WHEREBY THIS CAN BE CORRECTED AGAINST THE OTHER STILL OUTSTANDING AMOUNTS. EXIMBANK WISHES TO EXPRESS APPRECIATION FOR THE ASSISTANCE THE EMBASSY HAS PROVIDED IN BRINGING THESE PAST DUE PAYMENTS CURRENT AND SPECIFICALLY TO THE AID PROVIDED BY MESSRS. BOWEN AND MORAN.

2. EXIMBANK HAS RECEIVED THE DECEMBER 1976 CDE FINANCIAL STATEMENT, AND COPIES OF THE SPANISH AND LAZARD BROTHERS FINANCING PROPOSALS POUCHED BY THE EMBASSY, AND IS NOW REVIEWING CASALS' REQUEST FOR AN EXTENSION OF THE AVAILABILITY DATE AND THE FIRST REPAYMENT ON THE 47 MILLION DOLS. PACKAGE (CREDIT NO. 6127 AND GUARANTEE NO. 6128) INCLUDING THE REQUEST TO INCREASE THIS TO 100 MILLION DOLS.

3. EXIMBANK'S EXPERIENCE WITH CDE HAS BEEN LESS THAN SATISFACTORY AND HOPES THAT UNDER CASALS' DIRECTION CDE MANAGEMENT WILL IMPROVE.

4. PLANS FOR EXPANSION OF POWER SECTOR SEEM QUITE OPTIMISTIC. WHILE EXIMBANK WANTS TO BE AS RESPONSIVE AS POSSIBLE, AS OF END OF MAY DOMINICAN REPUBLIC EXPOSURE WAS 129 MILLION DOLS. OF WHICH 114 MILLION UNCLASSIFIED

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DOLS. IS LONG-TERM. FURTHER, OF THE LATTER AMOUNT, 82.7 MILLION DOLS. IS TO CDE.

5. THE ECONOMIC FACTS RELATING TO THE DOMINICAN REPUBLIC ARE WELL KNOWN TO THE EMBASSY AND HAVE BEEN PROMPTLY REPORTED FOR WHICH EXIMBANK IS APPRECIATIVE. THESE SAME FACTS MAKE EXIMBANK CAUTIOUS REGARDING TAKING ON SUBSTANTIAL NEW DEBT.

6. NEVERTHELESS, EXIMBANK WILL REVIEW ALL INFORMATION WHEN CDE'S REQUEST IS CONSIDERED AND WILL KEEP YOU INFORMED. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT GUARANTEES, LOANS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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Film Number: D770273-0515
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Legacy Key: link1977/newtext/t1977073/aaaaacoi.tel
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Type: TE
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